

Second Avenue Subway Phase I

New York, New York

(November 2010)

The Metropolitan Transportation Authority and New York City Transit (MTA/NYCT) are constructing 2.3 miles of new subway on Manhattan's East Side from 96th Street to 63rd Street, connecting with the existing Broadway Line at the 63rd Street Station. The Second Avenue Subway Phase I project includes: construction of three new stations at 96th, 86th, and 72nd Streets; modification of the existing 63rd Street station; new tunnels from 92nd to 63rd Streets; station/ancillary facilities; track, signal and power systems; and the procurement of 68 rail cars. The Phase I project is a minimum operable segment (MOS) of a planned 8.5-mile subway line extending the length of Manhattan's East Side from 125th Street in East Harlem to Hanover Square in the Financial District.

The project will relieve overcrowded conditions and improve service reliability on the Lexington Avenue Line (LAL), and improve current mobility and meet future demand for commuters throughout New York City and the metropolitan area. The LAL is currently the only full north-south passenger rail line serving Manhattan's east side and is the busiest transit line in North America. This heavy passenger load (approximately 3,000 passengers at one station during a 15-minute period of the morning peak hour) causes significant delays in service due to the excessive overcrowding along station platforms and queuing on stairways.

The total project cost under the Full Funding Grant Agreement (FFGA) is \$4,866.61 million. The Section 5309 New Starts funding share is \$1,300.00 million.

Status

MTA/NYCT completed a major investment study/Draft Environmental Impact Statement (MIS/Draft EIS) on the Manhattan East Side Corridor in September 1999. The MIS/Draft EIS covered the northern portion of the corridor from 63rd Street to East 125th Street. The full 8.5-mile Second Avenue Subway was selected as the locally preferred alternative (LPA) in May 2001. FTA approved the LPA into preliminary engineering in December 2001. Anticipating the financial difficulties in implementing the entire project at once, MTA/NYCT contemplated the development of minimum operable segments within the corridor. A Final EIS covering the full alignment, but including a strategy for the implementation of four distinct operable segments within the corridor, was completed in April 2004. In July 2004, FTA issued an environmental Record of Decision for the full-length project. FTA approved entry into final design for the Second Avenue Subway Phase I project in April 2006. FTA executed an Early Systems Work Agreement (ESWA) in January 2007, to enable MTA to advance critical elements of the project. MTA and FTA entered into an FFGA in November 2007, with revenue operations scheduled for June 2014.

In 2010, FTA estimated that the Second Avenue Subway Phase I project will likely cost \$930 million more than was initially anticipated and will be delivered some 44 months later than scheduled. MTA maintains that it can deliver the project sooner and at lower costs. These

significant cost increases are due in part to the commodity price increases of 2006-2008, the unusually active construction market in New York City, key MTA project management positions that remained vacant for months, and lengthy delays due to changes in design and procurement strategies. MTA and FTA have agreed to an Enterprise Level Project Execution Plan with a more robust project management process to account for risk and result in open, transparent, informed decisions being made at the appropriate level of management.

A total of \$792.87 million in Section 5309 funds has been appropriated for the project. This includes \$673.33 million in Congressional appropriations received through FY 2010, \$78.87 million in Capital Investment Grant (New Starts) funds provided under the American Recovery and Reinvestment Act, and \$40.67 million in additional FY10 New Starts resources allocated by FTA.

Reported in Year of Expenditure Dollars		
<u>Source of Funds</u>	<u>Total Funding (\$million)</u>	<u>Appropriations to Date</u>
Federal: Section 5309 New Starts Section 5307 Other FHWA Flexible Funds (CMAQ)	\$1,300.00 \$2.46 \$48.23	\$792.87 million in total appropriations for the project. This includes \$78.87 million in ARRA funds and \$40.67 million in additional FY10 New Starts resources allocated by FTA.
State: State Transportation Bond Act of 2005	\$450.00	
Local: MTA Dedicated Sources (bonds, surplus toll revenues, etc.) MTA Operating Budget (finance costs)	\$2,249.31 \$816.61	
TOTAL	\$4,866.61	

NOTE: The sum of the figures may differ from the total as listed due to rounding.

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